

Executive Registry
7-3443

19 August 1955

MEMORANDUM FOR RECORD

SUBJECT: Conversation with Mr. W. Park Armstrong

REFERENCE: DCI Approved memorandum on International Communism
4 August 1955

1. I stated to Mr. Armstrong that there was a feeling in CIA that the proposed subsidy should be reduced by the amount of compensation scheduled for NIS analysts put in for by OIR but denied them by the State Department or the Bureau of the Budget. I asked Mr. Armstrong how many people if any were involved. Mr. Armstrong assured me that the NIS personnel not only for international communism but also for State's other production responsibilities on the NIS are not now, and never have in the past been, included in the budget of the R Section or the Department of State as a whole. Nor are the personnel involved charged against any departmental ceilings. The Bureau of the Budget fully understands that CIA budgets for these people as a contractual service and does not consider people involved to be chargeable against CIA personnel ceilings either.

2. I, therefore, believe that the comment of the Director is not workable and would not have been made had he been fully apprised of the facts. I also told Mr. Armstrong that the Director did not want to commit himself to this financial support for future fiscal years as he was inclined to keep open the question of whether or not State should budget for its own NIS production. I said I believed this was o.k. for 56-57 but meant that we should get together before State made any plans for Fiscal Year 1958.

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ROBERT AMORY, JR.

Deputy Director/Intelligence